

Memo to Mr Pyne: think again

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US higher education is a behemoth in both its size and its status. So I can understand why Chris Pyne and his apparatchiks look longingly across the Pacific for examples of best practice. After all, neoliberal chorines love to chant that competition leads to quality and the US is a cheerleader for private enterprise.

But it is not a model for Australia. And when it comes to expanding tertiary study by placing more of the burden on students, it's actually an anti-model.

US higher education's best universities, whether public or private, did not emerge on a market basis. They owe their genesis to a unique mix of slightly nutty billionaire philanthropy and state government boosterism. The former created private but not-forprofit institutions and the latter expanded the fruits of learning beyond middle-class white men.

As the 20th century unfurled, the result was an uneven, but in part exceptional, array of colleges operating in the public weal that drew on massive subsidies to educate the population to levels never seen anywhere else in the modern world.

Today, higher education is in the grip of horrendous indebtedness. Why? Because of sectoral inflation and diminished public funding.

Since 1980, increases in college tuition have massively outstripped movement in the US national consumer price index.

Private universities have splurged on saunas, supercolliders and screens to attract top students.

More significantly, public schools experienced massive declines in state funding.

Between 1975 and 2000, tertiary education's proportion of public appropriations declined from 6.7 per cent to 4.5 per cent.

Revenue from governments grew by just 6 per cent as a proportion of college finances in the 10 years from 1998, despite vastly

increased student numbers.

By 2005, state investment in public university students was at its lowest level in a quarter of a century.

Tuition paid by students amounted to almost 40 per cent of the cost of US public universities in 1998 and more than 50 per cent in 2008.

As a consequence, student debt doubled between 1992 and 2000, and again over the next decade. It now stands at \$1 trillion.

So when I arrived in New York in 1993, less than half the undergraduate body nationwide bor

rowed to pay for college. Today, the proportion is 94 per cent.

Almost a tenth of debtors defaulted on student loans in 2010.

By 2012, 600,000 student borrowers from the class of 2010 had defaulted.

For-profit colleges, which essentially do no research and are teaching institutions, enrol just 7 per cent of graduates, whose loans average 43 per cent more than students from the public and not-for-profit sectors.

Across the country, people who graduated with student loans in 2011 confronted the highest unemployment levels for recent

graduates in memory: 9.1 per cent.

In 2012, student debt averaged \$US29,400. The biggest increases in debt and default were at for-profit institutions, where nearly half the students are African American or Latino.

The US government guarantees or makes 90 per cent of loans.

That encourages universities to charge more, and banks to lend more. The feds are looking at punitive ways of garnisheeing income in order to recover their investment.

Back to Australia. Mr Pyne is fond of invoking Robert Menzies in his discussions of higher edu

cation. Here's the deal: the old boy adopted the Martin Report of the Committee on the Future of Tertiary Education in Australia pretty much wholesale, a job of expan

sion that was finally completed by Gough Whitlam a decade later.

What was the job? It finalised an educational pact for Australia that had begun, falteringly, decades earlier.

The pact was that schooling should be a right of citizens given to them in the same way as water, plumbing, and roads.

Australia accepted that when you were eight, you should be educated via taxation; then at 16; and

finally, at 20. And in order to make higher education work, it

had to be federally supported. The commonwealth government essentially took over funding universities so they could undertake scholarship and teaching at high levels.

Since then, true believers in laissez faire have organised against such views. Market magicians have decreed that learning is a right for those in primary and secondary school, but a privilege for those in university; that it benefits society to have young people know things until they turn 18.

At that point, it becomes some

thing that is principally valuable to them, so they should pay for it.

Mr Pyne, try learning from your preferred hero of history, Sir Robert, and from Whitlam. And try to understand how US higher ed works (and doesn't). Otherwise you may join successive Australian education ministers in the slow destruction of a carefully created system of learning.

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Caption Text:

GETTY IMAGES Stanford University is a much sought-after campus, but in the US, student debt doubled between 1992 and 2000 and now stands at \$1 trillion

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